



# Howard County Council

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## COUNCILMEMBERS

Courtney Watson, Chairperson  
District 1  
Mary Kay Sigaty, Vice Chairperson  
District 4  
Calvin Ball  
District 2  
Greg Fox  
District 5  
Jennifer Terrasa  
District 3

## HOWARD COUNTY COUNCIL

Minutes (Revised 10/15/08; approved 10/17/08)

### Monthly Meeting

October 14, 2008

Chairperson Courtney Watson called the monthly meeting to order 7:35 a.m. on October 14, 2008, in the C. Vernon Gray Conference Room.

Members present on call to order: Calvin Ball, Greg Fox, Mary Kay Sigaty and Courtney Watson. Jennifer Terrasa arrived at 7:38 a.m.

Sheila Tolliver reported that the Department of Technology and Communications appeared receptive at her meeting with them on September 18 to acquiring the Granicus web-based system. She also mentioned the possibility that a cable franchisee may be willing to offset some of the cost in order to provide public television programming access. She also reported on the progress of the office move, scheduled for 6:00 p.m. on Friday, October 17.

Leo Oken, a member of the Audit staff, reported on the fraud and abuse hotline, which will operate on the web. He said that the Personnel Board will provide protection for employees who report possible fraud or abuse, although the auditors have been advised that the law already provides whistleblower protection for employees.

Ms. Sigaty reported that she will serve on the Patuxent River Commission's Policy Update Committee. This update is done every 5 years.

Ms. Terrasa reported that MACo's legislative representatives met last week and discussed possible implications for school funding, construction funding, and other intergovernmental aid associated with the downturn in the economy and the projected State deficit. She noted that she was asked to serve on the Governor's Student Physical Fitness Task Force, which is looking at ways to increase physical activity and improve student fitness in public elementary schools.

Ray Wacks, Budget Director, reported on the status of revenues for FY 09 and measures underway to economize to avoid a deficit. Current projections foresee a deficit in FY 09 of about \$1.8 million, a manageable amount, which is less than 1% of the budget. About a \$10 million surplus in property taxes is offset by lower receipts in recordation and transfer taxes and in the income tax. His new estimates cut the projected growth in income tax revenue from 4% to 2%, about \$5 million.

Starting last August, the County began taking steps to preserve funding, as follows:

- 1) Conditional freeze on filling empty positions (holding about 24 positions currently);
- 2) Holding about \$6 million in paygo funding until later in the fiscal year (Mr. Wacks will provide a list of affected projects);
- 3) Requesting department heads to cut discretionary spending, such as travel;

- 4) Projected depositing \$10 million toward the other post employment benefits (OPEB) gap; will hold off on that deposit until later in the fiscal year to assess the fiscal situation then.

Ray reported that the State Board of Public Works will reveal on October 15 the first round of cuts they are making to handle the State's budget shortage. He forecast possible cuts in the Board of Education (\$1.5 million for Howard County) and in the community college (\$1.3 million for the County).

He reported that FY 2010 will be much more difficult. Although the two areas of the county to be reassessed will show a declining value, there will be some residual strength in the property tax collections, based on the gap created by the Homestead Tax Credit that caps taxable growth in any year to 5%. Falling real estate values, however, will have a long-term effect on revenues, and Mr. Wacks predicted a slow recovery in this area for Howard County. He projected a deep recession.

Mr. Wacks responded to a number of questions:

- He does not foresee furloughs of employees at this time;
- He explained that the timeline for receiving income taxes is such that the County receives payments for taxes from three years in any single fiscal year. The County, for example, will receive the last of its 2007 payments in January;
- He reviewed the plan for OPEB deposits, as it was articulated last year: \$10 million surplus plus \$5 million from the operating budget in FY 09, and an increase of \$5 million per year into the future;
- He compared the projected deficit of \$1.8 million this year to a projected surplus of \$12 million at this time last year;
- Responding to a comment that the County should be more aggressive in containing costs, Mr. Wacks enumerated some savings already underway and noted that there are some unknowns which may produce costs or savings: the severity of the winter and need for snow removal, the cost of gasoline, and similar variables;
- Mr. Wacks reported that all employee contracts except fire will be renegotiated this year;
- He noted that the cost to Howard County, if the State cuts its funding for 50% of the cost of teacher pensions, will be \$45 million.

Ms. Watson said that she supports more aggressive savings by the County, but she did not want to use OPEB funds or furloughs to balance the budget, except as a last resort.

Ms. Watson directed the Administrator to look at the Council's budget for possible savings and to report back to the Council. She invited Mr. Wacks to become a regular item on the Council's monthly meeting agendas.

Mary Kay Sigaty and Jen Terrasa distributed a chart showing the major items of agreement from the Public Engagement in Land Use Task Force (PELU), the responsible agency, and the status. Many of the items on which there was consensus agreement call for greater communication with the public. Ms. Sigaty reported that this can be addressed in large part by posting information on the web in a more customer-friendly format and in a more complete and more timely way. She noted that a webmaster will be hired for the County shortly, and she sees this as an important focus for that person's work.

Ms. Terrasa noted that much of the information the public wants is already on the web in some format, and the problem is partly the organization of the material.

Ms. Watson asked Ms. Sigaty and Ms. Terrasa to keep the chart updated and to report to the Council periodically on the progress.

In response to Mr. Fox's inquiry about the audit on the Housing Commission, Mr. Oken reported that the Commission has responded to the audit appropriately. The auditors will share that response with the Council.

The meeting was adjourned at 8:30 a.m.